



**Request for City Council Committee Action
From the Department of Department of Regulatory Services**

Date: November 4, 2003
To: Council Member Niziolek, Chair
Public Safety & Regulatory Services Committee
Referral to: Ways & Means Committee

Subject: Extension of outsourced vehicle maintenance contract for the Department of Regulatory services

Recommendation: That Council approve a temporary extension of the Department of Regulatory Service's contract with Automotive Rentals, Inc. (ARI) to February 28, 2004 and increase the contract total amount by \$90,000. This extension will allow the Department to finalize a service agreement with Public Works Equipment Services Division to provide vehicle maintenance services and to transition the department's fleet to that service. No additional appropriation is necessary for this extension. The goal is to have a service contract in place with Public Works Equipment Division by January 1, 2004, however, due to billing delays, we are asking that the contract extension date be set to February 28, 2004.

Previous Directives: On June 9, 1999 the City and ARI entered into a four year agreement for the provision of an outsourced vehicle gasoline purchase and maintenance program for an estimated annual expenditure of \$250,000. This contract was extended previously to August 31, 2003, however, evaluation of alternatives and RFP submissions has taken longer than anticipated.

Prepared/Submitted by: Clara Schmit Gonzalez, Deputy Director, Regulatory Services

Approved by: _____
Merwyn Larson, Director, Regulatory Services

John Bergquist, Assistant City Coordinator

John Moir, City Coordinator

Presenters in Committee Clara Schmit Gonzalez, Deputy Director, Regulatory Services

Financial Impact (Check those that apply)

☒ **X** No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

☐ Action requires an appropriation increase to the Capital Budget

☐ Action requires an appropriation increase to the Operating Budget

☐ Action provides increased revenue for appropriation increase

☐ Action requires use of contingency or reserves

☐ Other financial impact (Explain):

☐ Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (use any categories that apply)

Neighborhood Notification

City Goals

Comprehensive Plan

Zoning Code

Other

Background/Supporting Information Attached:

On June 9, 1999 the City of Minneapolis and Automotive Rentals, Inc. (ARI) entered into a four year contract for the provision of an outsourced gasoline purchase and vehicle maintenance program for the Department of Regulatory Service's fleet. That contract expired in June of this year and was extended until August 31, 2003 to better prepare appropriate bid specifications for a fleet with an anticipated useful life of 8-10 years. Part of that evaluation process included a proposal from the Public Works Equipment Division for similar fleet services. It now appears that we will be able to work out a service agreement with Public Works, however, some significant issues such as accident subrogation responsibilities are still being finalized. This particular issue may require discussions with other departments such as Finance and Risk Management.

We therefore request:

- Extension of the current contract with ARI for all billings for services through February 28, 2004 and an increase in the total amount of the contract by \$90,000. No additional appropriation is necessary, since these repair dollars are in the current appropriation. The goal is to have a service agreement in place with the Public Works Equipment Division by January 1, 2004, however, due to billing delays, we are asking for a contract extension date of February 28, 2004.

This extension will allow us to finalize our service contract discussions with Public Works Equipment Division and to transition our vehicles to their service in an orderly fashion.